

## Part VII: The Accumulation of Capital

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### Chapter Twenty-Four

# Conversion of Surplus-Value into Capital

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## Section 1: Capitalist Production on a Progressively Increasing Scale. Transition of the Laws of Property That Characterise Production of Commodities into Laws of Capitalist Appropriation

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Hitherto we have investigated how surplus-value emanates from capital; we have now to see how capital arises from surplus-value. Employing surplus-value as capital, reconvertng it into capital, is called accumulation of capital. [1]

First let us consider this transaction from the standpoint of the individual capitalist. Suppose a spinner to have advanced a capital of £10,000, of which four-fifths (£8,000) are laid out in cotton, machinery, &c., and one-fifth (£2,000) in wages. Let him produce 240,000 lbs. of yarn annually, having a value of £2,000. The rate of surplus-value being 100%, the surplus-value lies in the surplus or net product of 40,000 lbs. of yarn, one-sixth of the gross product, with a value of £2,000 which will be realised by a sale. £2,000 is £2,000. We can neither see nor smell in this sum of money a trace of surplus-value. When we know that a given value is surplus-value, we know how its owner came by it; but that does not alter the nature either of value or of money.

In order to convert this additional sum of £2,000 into capital, the master-spinner will, all circumstances remaining as before, advance four-fifths of it (£1,600) in the purchase of cotton, &c., and one-fifth (£400) in the purchase of additional spinners,

who will find in the market the necessities of life whose value the master has advanced to them.

Then the new capital of £2,000 functions in the spinning-mill, and brings in, in its turn, a surplus-value of £400.

The capital-value was originally advanced in the money-form. The surplus-value on the contrary is, originally, the value of a definite portion of the gross product. If this gross product be sold, converted into money, the capital-value regains its original form. From this moment the capital-value and the surplus-value are both of them sums of money, and their reconversion into capital takes place in precisely the same way. The one, as well as the other, is laid out by the capitalist in the purchase of commodities that place him in a position to begin afresh the fabrication of his goods, and this time, on an extended scale. But in order to be able to buy those commodities, he must find them ready in the market.

His own yams circulate, only because he brings his annual product to market, as all other capitalists likewise do with their commodities. But these commodities, before coming to market, were part of the general annual product, part of the total mass of objects of every kind, into which the sum of the individual capitals, *i.e.*, the total capital of society, had been converted in the course of the year, and of which each capitalist had in hand only an aliquot part. The transactions in the market effectuate only the interchange of the individual components of this annual product, transfer them from one hand to another, but can neither augment the total annual production, nor alter the nature of the objects produced. Hence the use that can be made of the total annual product, depends entirely upon its own composition, but in no way upon circulation.

The annual production, must in the first place furnish all those objects (use-values) from which the material components of capital, used up in the course of the year, have to be replaced. Deducting these there remains the net or surplus-product, in which the surplus-value lies. And of what does this surplus-product consist? Only of things destined to satisfy the wants and desires of the capitalist class, things which, consequently, enter into the consumption-fund of the capitalists? Were that the case, the cup of surplus-value would be drained to the very dregs, and nothing but simple reproduction would ever take place.

To accumulate it is necessary to convert a portion of the surplus-product into capital. But we cannot, except by a miracle, convert into capital anything but such articles as can be employed in the labour-process (*i.e.*, means of production), and such further articles as are suitable for the sustenance of the labourer (*i.e.*, means of subsistence). Consequently, a part of the annual surplus-labour must have been

applied to the production of additional means of production and subsistence, over and above the quantity of these things required to replace the capital advanced. In one word, surplus-value is convertible into capital solely because the surplus-product, whose value it is, already comprises the material elements of new capital. [2]

Now in order to allow of these elements actually functioning as capital, the capitalist class requires additional labour. If the exploitation of the labourers already employed do not increase, either extensively or intensively, then additional labour-power must be found. For this the mechanism of capitalist production provides beforehand, by converting the working-class into a class dependent on wages, a class whose ordinary wages suffice, not only for its maintenance, but for its increase. It is only necessary for capital to incorporate this additional labour-power, annually supplied by the working-class in the shape of labourers of all ages, with the surplus means of production comprised in the annual produce, and the conversion of surplus-value into capital is complete. From a concrete point of view, accumulation resolves itself into the reproduction of capital on a progressively increasing scale. The circle in which simple reproduction moves, alters its form, and, to use Sismondi's expression, changes into a spiral. [3]

Let us now return to our illustration. It is the old story: Abraham begat Isaac, Isaac begat Jacob, and so on. The original capital of £10,000 brings in a surplus-value of £2,000, which is capitalised. The new capital of £2,000 brings in a surplus-value of £400, and this, too, is capitalised, converted into a second additional capital, which, in its turn, produces a further surplus-value of £80. And so the ball rolls on.

We here leave out of consideration the portion of the surplus-value consumed by the capitalist. Just as little does it concern us, for the moment, whether the additional capital is joined on to the original capital, or is separated from it to function independently; whether the same capitalist, who accumulated it, employs it, or whether he hands it over to another. This only we must not forget, that by the side of the newly-formed capital, the original capital continues to reproduce itself, and to produce surplus-value, and that this is also true of all accumulated capital, and the additional capital engendered by it.

The original capital was formed by the advance of £10,000. How did the owner become possessed of it? "By his own labour and that of his forefathers," answer unanimously the spokesmen of Political Economy. [4] And, in fact, their supposition appears the only one consonant with the laws of the production of commodities.

But it is quite otherwise with regard to the additional capital of £2,000. How that originated we know perfectly well. There is not one single atom of its value that

does not owe its existence to unpaid labour. The means of production, with which the additional labour-power is incorporated, as well as the necessities with which the labourers are sustained, are nothing but component parts of the surplus-product, of the tribute annually exacted from the working-class by the capitalist class. Though the latter with a portion of that tribute purchases the additional labour-power even at its full price, so that equivalent is exchanged for equivalent, yet the transaction is for all that only the old dodge of every conqueror who buys commodities from the conquered with the money he has robbed them of.

If the additional capital employs the person who produced it, this producer must not only continue to augment the value of the original capital, but must buy back the fruits of his previous labour with more labour than they cost. When viewed as a transaction between the capitalist class and the working-class, it makes no difference that additional labourers are employed by means of the unpaid labour of the previously employed labourers. The capitalist may even convert the additional capital into a machine that throws the producers of that capital out of work, and that replaces them by a few children. In every case the working-class creates by the surplus-labour of one year the capital destined to employ additional labour in the following year. [5] And this is what is called: creating capital out of capital.

The accumulation of the first additional capital of £2,000 pre-supposes a value of £10,000 belonging to the capitalist by virtue of his "primitive labour," and advanced by him. The second additional capital of £400 pre-supposes, on the contrary, only the previous accumulation of the £2,000, of which the £400 is the surplus-value capitalised. The ownership of past unpaid labour is thenceforth the sole condition for the appropriation of living unpaid labour on a constantly increasing scale. The more the capitalist has accumulated, the more is he able to accumulate.

In so far as the surplus-value, of which the additional capital, No. 1, consists, is the result of the purchase of labour-power with part of the original capital, a purchase that conformed to the laws of the exchange of commodities, and that, from a legal standpoint, pre-supposes nothing beyond the free disposal, on the part of the labourer, of his own capacities, and on the part of the owner of money or commodities, of the values that belong to him; in so far as the additional capital, No. 2, &c., is the mere result of No. 1, and, therefore, a consequence of the above conditions; in so far as each single transaction invariably conforms to the laws of the exchange of commodities, the capitalist buying labour-power, the labourer selling it, and we will assume at its real value; in so far as all this is true, it is evident that the laws of appropriation or of private property, laws that are based on the production and circulation of commodities, become by their own inner and inexorable dialectic changed into their very opposite. The exchange of equivalents, the original operation with which we started, has now become turned round in such

a way that there is only an apparent exchange. This is owing to the fact, first, that the capital which is exchanged for labour-power is itself but a portion of the product of others' labour appropriated without an equivalent; and, secondly, that this capital must not only be replaced by its producer, but replaced together with an added surplus. The relation of exchange subsisting between capitalist and labourer becomes a mere semblance appertaining to the process of circulation, a mere form, foreign to the real nature of the transaction, and only mystifying it. The ever repeated purchase and sale of labour-power is now the mere form; what really takes place is this — the capitalist again and again appropriates, without equivalent, a portion of the previously materialised labour of others, and exchanges it for a greater quantity of living labour. At first the rights of property seemed to us to be based on a man's own labour. At least, some such assumption was necessary since only commodity-owners with equal rights confronted each other, and the sole means by which a man could become possessed of the commodities of others, was by alienating his own commodities; and these could be replaced by labour alone. Now, however, property turns out to be the right, on the part of the capitalist, to appropriate the unpaid labour of others or its product, and to be the impossibility, on the part of the labourer, of appropriating his own product. The separation of property from labour has become the necessary consequence of a law that apparently originated in their identity. [6]

Therefore, [7] however much the capitalist mode of appropriation may seem to fly in the face of the original laws of commodity production, it nevertheless arises, not from a violation, but, on the contrary, from the application of these laws. Let us make this clear once more by briefly reviewing the consecutive phases of motion whose culminating point is capitalist accumulation.

We saw, in the first place, that the original conversion of a sum of values into capital was achieved in complete accordance with the laws of exchange. One party to the contract sells his labour-power, the other buys it. The former receives the value of his commodity, whose use-value — labour — is thereby alienated to the buyer. Means of production which already belong to the latter are then transformed by him, with the aid of labour equally belonging to him, into a new product which is likewise lawfully his.

The value of this product includes: first, the value of the used-up means of production. Useful labour cannot consume these means of production without transferring their value to the new product, but, to be saleable, labour-power must be capable of supplying useful labour in the branch of industry in which it is to be employed.

The value of the new product further includes: the equivalent of the value of the labour-power together with a surplus-value. This is so because the value of the labour-power — sold for a definite length of time, say a day, a week, etc. — is less than the value created by its use during that time. But the worker has received payment for the exchange-value of his labour-power and by so doing has alienated its use-value — this being the case in every sale and purchase.

The fact that this particular commodity, labour-power, possesses the peculiar use-value of supplying labour, and therefore of creating value, cannot affect the general law of commodity production. If, therefore, the magnitude of value advanced in wages is not merely found again in the product, but is found there augmented by a surplus-value, this is not because the seller has been defrauded, for he has really received the value of his commodity; it is due solely to the fact that this commodity has been used up by the buyer.

The law of exchange requires equality only between the exchange-values of the commodities given in exchange for one another. From the very outset it presupposes even a difference between their use-values and it has nothing whatever to do with their consumption, which only begins after the deal is closed and executed.

Thus the original conversion of money into capital is achieved in the most exact accordance with the economic laws of commodity production and with the right of property derived from them. Nevertheless, its result is:

- (1) that the product belongs to the capitalist and not to the worker;
- (2) that the value of this product includes, besides the value of the capital advanced, a surplus-value which costs the worker labour but the capitalist nothing, and which none the less becomes the legitimate property of the capitalist;
- (3) that the worker has retained his labour-power and can sell it anew if he can find a buyer.

Simple reproduction is only the periodical repetition of this first operation; each time money is converted afresh into capital. Thus the law is not broken; on the contrary, it is merely enabled to operate continuously. "Several successive acts of exchange have only made the last represent the first" (Sismondi, "Nouveaux Principes, etc.," p. 70).

And yet we have seen that simple reproduction suffices to stamp this first operation, in so far as it is conceived as an isolated process, with a totally changed

character. "Of those who share the national income among themselves, the one side (the workers) acquire every year a fresh right to their share by fresh work; the others (the capitalists) have already acquired, by work done originally, a permanent right to their share" (Sismondi, l. c., pp. 110, 111). It is indeed notorious that the sphere of labour is not the only one in which primogeniture works miracles.

Nor does it matter if simple reproduction is replaced by reproduction on an extended scale, by accumulation. In the former case the capitalist squanders the whole surplus-value in dissipation, in the latter he demonstrates his bourgeois virtue by consuming only a portion of it and converting the rest into money.

The surplus-value is his property; it has never belonged to anyone else. If he advances it for the purposes of production, the advances made come from his own funds, exactly as on the day when he first entered the market. The fact that on this occasion the funds are derived from the unpaid labour of his workers makes absolutely no difference. If worker B is paid out of the surplus-value which worker A produced, then, in the first place, A furnished that surplus-value without having the just price of his commodity cut by a half-penny, and, in the second place, the transaction is no concern of B's whatever. What B claims, and has a right to claim, is that the capitalist should pay him the value of his labour-power. "Both were still gainers: the worker because he was advanced the fruits of his labour" (should read: of the unpaid labour of other workers) "before the work was done" (should read: before his own labour had borne fruit); "the employer (*le maître*), because the labour of this worker was worth more than his wages" (should read: produced more value than the value of his wages). (Sismondi, l. c., p. 135.)

To be sure, the matter looks quite different if we consider capitalist production in the uninterrupted flow of its renewal, and if, in place of the individual capitalist and the individual worker, we view in their totality, the capitalist class and the working-class confronting each other. But in so doing we should be applying standards entirely foreign to commodity production.

Only buyer and seller, mutually independent, face each other in commodity production. The relations between them cease on the day when the term stipulated in the contract they concluded expires. If the transaction is repeated, it is repeated as the -result of a new agreement which has nothing to do with the previous one and which only by chance brings the same seller together again with the same buyer.

If, therefore, commodity production, or one of its associated processes, is to be judged according to its own economic laws, we must consider each act of exchange by itself, apart from any connexion with the act of exchange preceding it and that

following it. And since sales and purchases are negotiated solely between particular individuals, it is not admissible to seek here for relations between whole social classes.

However long a series of periodical reproductions and preceding accumulations the capital functioning to-day may have passed through, it always preserves its original virginity. So long as the laws of exchange are observed in every single act of exchange the mode of appropriation can be completely revolutionised without in any way affecting the property rights which correspond to commodity production. These same rights remain in force both at the outset, when the product belongs to its producer, who, exchanging equivalent for equivalent, can enrich himself only by his own labour, and also in the period of capitalism, when social wealth becomes to an ever-increasing degree the property of those who are in a position to appropriate continually and ever afresh the unpaid labour of others.

This result becomes inevitable from the moment there is a free sale, by the labourer himself, of labour-power as a commodity. But it is also only from then onwards that commodity production is generalised and becomes the typical form of production; it is only from then onwards that, from the first, every product is produced for sale and all wealth produced goes through the sphere of circulation. Only when and where wage-labour is its basis does commodity production impose itself upon society as a whole; but only then and there also does it unfold all its hidden potentialities. To say that the supervision of wage-labour adulterates commodity production is to say that commodity production must not develop if it is to remain unadulterated. To the extent that commodity production, in accordance with its own inherent laws, develops further, into capitalist production, the property laws of commodity production change into the laws of capitalist appropriation. [8]

We have seen that even in the case of simple reproduction, all capital, whatever its original source, becomes converted into accumulated capital, capitalised surplus-value. But in the flood of production all the capital originally advanced becomes a vanishing quantity (*magnitudo evanescens*, in the mathematical sense), compared with the directly accumulated capital, *i.e.*, with the surplus-value or surplus-product that is reconverted into capital, whether it functions in the hands of its accumulator, or in those of others. Hence, Political Economy describes capital in general as "accumulated wealth" (converted surplus-value or revenue), "that is employed over again in the production of surplus-value," [9] and the capitalist as "the owner of surplus-value." [10] It is merely another way of expressing the same thing to say that all existing capital is accumulated or capitalised interest, for interest is a mere fragment of surplus-value. [11]



## Section 2: Erroneous Conception, by Political Economy, of Reproduction on a Progressively Increasing Scale

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Before we further investigate accumulation or the reconversion of surplus-value into capital, we must brush on one side an ambiguity introduced by the classical economists.

Just as little as the commodities that the capitalist buys with a part of the surplus-value for his own consumption, serve the purpose of production and of creation of value, so little is the labour that he buys for the satisfaction of his natural and social requirements, productive labour. Instead of converting surplus-value into capital, he, on the contrary, by the purchase of those commodities and that labour, consumes or expends it as revenue. In the face of the habitual mode of life of the old feudal nobility, which, as Hegel rightly says, "consists in consuming what is in hand," and more especially displays itself in the luxury of personal retainers, it was extremely important for bourgeois economy to promulgate the doctrine that accumulation of capital is the first duty of every citizen, and to preach without ceasing, that a man cannot accumulate, if he eats up all his revenue, instead of spending a good part of it in the acquisition of additional productive labourers, who bring in more than they cost. On the other hand the economists had to contend against the popular prejudice, that confuses capitalist production with hoarding, [12]and fancies that accumulated wealth is either wealth that is rescued from being destroyed in its existing form, *i.e.*, from being consumed, or wealth that is withdrawn from circulation. Exclusion of money from circulation would also exclude absolutely its self-expansion as capital, while accumulation of a hoard in the shape of commodities would be sheer tomfoolery. [13] The accumulation of commodities in great masses is the result either of over-production or of a stoppage of circulation. [14] It is true that the popular mind is impressed by the sight, on the one hand, of the mass of goods that are stored up for gradual consumption by the rich, [15] and on the other hand, by the formation of reserve stocks; the latter, a phenomenon that is common to all modes of production, and on which we shall dwell for a moment, when we come to analyse circulation. Classical economy is therefore quite right, when it maintains that the consumption of surplus-products by productive, instead of by unproductive labourers, is a characteristic feature of the process of accumulation. But at this point the mistakes also begin. Adam Smith has made it the fashion, to represent accumulation as nothing more than consumption of surplus-products by productive labourers, which amounts to saying, that the capitalising of surplus-value consists in merely turning surplus-value into labour-power. Let us see what Ricardo, *e.g.*, says: "It must be understood that all the productions of a country are consumed; but it makes the greatest difference

imaginable whether they are consumed by those who reproduce, or by those who do not reproduce another value. When we say that revenue is saved, and added to capital, what we mean is, that the portion of revenue, so said to be added to capital, is consumed by productive instead of unproductive labourers. There can be no greater error than in supposing that capital is increased by non-consumption."

[16] There can be no greater error than that which Ricardo and all subsequent economists repeat after A. Smith, viz., that "the part of revenue, of which it is said, it has been added to capital, is consumed by productive labourers." According to this, all surplus-value that is changed into capital becomes variable capital. So far from this being the case, the surplus-value, like the original capital, divides itself into constant capital and variable capital, into means of production and labour-power. labour-power is the form under which variable capital exists during the process of production. In this process the labour-power is itself consumed by the capitalist while the means of production are consumed by the labour-power in the exercise of its function, labour. At the same time, the money paid for the purchase of the labour-power, is converted into necessities, that are consumed, not by "productive labour," but by the "productive labourer." Adam Smith, by a fundamentally perverted analysis, arrives at the absurd conclusion, that even though each individual capital is divided into a constant and a variable part, the capital of society resolves itself only into variable capital, *i.e.* is laid out exclusively in payment of wages. For instance, suppose a cloth manufacturer converts £2,000 into capital. One portion he lays out in buying weavers, the other in woollen yarn, machinery, &c. But the people, from whom he buys the yarn and the machinery, pay for labour with a part of the purchase money, and so on until the whole £2,000 are spent in the payment of wages, *i.e.* until the entire product represented by the £2,000 has been consumed by productive labourers. It is evident that the whole gist of this argument lies in the words "and so on," which send us from pillar to post. In truth, Adam Smith breaks his investigation off, just where its difficulties begin. [17]

The annual process of reproduction is easily understood, so long as we keep in view merely the sum total of the year's production. But every single component of this product must be brought into the market as a commodity, and there the difficulty begins. The movements of the individual capitals, and of the personal revenues, cross and intermingle and are lost in the general change of places, in the circulation of the wealth of society; this dazes the sight, and propounds very complicated problems for solution. In the third part of Book II. I shall give the analysis of the real bearings of the facts. It is one of the great merits of the Physiocrats, that in their *Tableau économique* they were the first to attempt to depict the annual production in the shape in which it is presented to us after passing through the process of circulation. [18]

For the rest, it is a matter of course that Political Economy, acting in the interests of the capitalist class, has not failed to exploit the doctrine of Adam. Smith, viz., that the whole of that part of the surplus-product which is converted into capital, is consumed by the working-class.

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### **Section 3: Separation of Surplus-Value into Capital and Revenue. The Abstinence Theory**

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In the last preceding chapter, we treated surplus-value (or the surplus-product) solely as a fund for supplying the individual consumption of the capitalist. In this chapter we have, so far, treated it solely as a fund for accumulation. It is, however, neither the one nor the other, but is both together. One portion is consumed by the capitalist as revenue, [19] the other is employed as capital, is accumulated.

Given the mass of surplus-value, then, the larger the one of these parts, the smaller is the other. *Caeteris paribus*, the ratio of these parts determines the magnitude of the accumulation. But it is by the owner of the surplus-value, by the capitalist alone, that the division is made. It is his deliberate act. That part of the tribute exacted by him which he accumulates, is said to be saved by him, because he does not eat it, *i.e.*, because he performs the function of a capitalist, and enriches himself.

Except as personified capital, the capitalist has no historical value, and no right to that historical existence, which, to use an expression of the witty Lichnowsky, "hasn't got no date." And so far only is the necessity for his own transitory existence implied in the transitory necessity for the capitalist mode of production. But, so far as he is personified capital, it is not values in use and the enjoyment of them. but exchange-value and its augmentation, that spur him into action. Fanatically bent on making value expand itself, he ruthlessly forces the human race to produce for production's sake; he thus forces the development of the productive powers of society, and creates those material conditions, which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle. Only as personified capital is the capitalist respectable. As such, he shares with the miser the passion for wealth as wealth. But that which in the miser is a mere idiosyncrasy, is, in the capitalist, the effect of the social mechanism, of which he is but one of the wheels. Moreover, the development of capitalist production makes it constantly necessary to keep increasing the amount of the capital laid out in a given industrial undertaking, and competition makes the immanent laws of capitalist production to be felt by each individual capitalist, as external coercive laws. It compels him to keep constantly

extending his capital, in order to preserve it, but extend it he cannot, except by means of progressive accumulation.

So far, therefore, as his actions are a mere function of capital — endowed as capital is, in his person, with consciousness and a will — his own private consumption is a robbery perpetrated on accumulation, just as in book-keeping by double entry, the private expenditure of the capitalist is placed on the debtor side of his account against his capital. To accumulate, is to conquer the world of social wealth, to increase the mass of human beings exploited by him, and thus to extend both the direct and the indirect sway of the capitalist. [20]

But original sin is at work everywhere. As capitalist production, accumulation, and wealth, become developed, the capitalist ceases to be the mere incarnation of capital. He has a fellow-feeling for his own Adam, and his education gradually enables him to smile at the rage for asceticism, as a mere prejudice of the old-fashioned miser. While the capitalist of the classical type brands individual consumption as a sin against his function, and as "abstinence" from accumulating, the modernised capitalist is capable of looking upon accumulation as "abstinence" from pleasure.

"Two souls, alas, do dwell with in his breast;  
The one is ever parting from the other." [21]

At the historical dawn of capitalist production, — and every capitalist upstart has personally to go through this historical stage — avarice, and desire to get rich, are the ruling passions. But the progress of capitalist production not only creates a world of delights; it lays open, in speculation and the credit system, a thousand sources of sudden enrichment. When a certain stage of development has been reached, a conventional degree of prodigality, which is also an exhibition of wealth, and consequently a source of credit, becomes a business necessity to the "unfortunate" capitalist. Luxury enters into capital's expenses of representation. Moreover, the capitalist gets rich, not like the miser, in proportion to his personal labour and restricted consumption, but at the same rate as he squeezes out the labour-power of others, and enforces on the labourer abstinence from all life's enjoyments. Although, therefore, the prodigality of the capitalist never possesses the bonâ-fide character of the open-handed feudal lord's prodigality, but, on the contrary, has always lurking behind it the most sordid avarice and the most anxious calculation, yet his expenditure grows with his accumulation, without the one necessarily restricting the other. But along with this growth, there is at the same time developed in his breast, a Faustian conflict between the passion for accumulation, and the desire for enjoyment.

Dr. Aikin says in a work published in 1795: "The trade of Manchester may be divided into four periods. First, when manufacturers were obliged to work hard for their livelihood." They enriched themselves chiefly by robbing the parents, whose children were bound as apprentices to them; the parents paid a high premium, while the apprentices were starved. On the other hand, the average profits were low, and to accumulate, extreme parsimony was requisite. They lived like misers and were far from consuming even the interest on their capital. "The second period, when they had begun to acquire little fortunes, but worked as hard as before," — for direct exploitation of labour costs labour, as every slave-driver knows — "and lived in as plain a manner as before.... The third, when luxury began, and the trade was pushed by sending out riders for orders into every market town in the Kingdom.... It is probable that few or no capitals of £3,000 to £4,000 acquired by trade existed here before 1690. However, about that time, or a little later, the traders had got money beforehand, and began to build modem brick houses, instead of those of wood and plaster." Even in the early part of the 18th century, a Manchester manufacturer, who placed a pint of foreign wine before his guests, exposed himself to the remarks and headshakings of all his neighbours. Before the rise of machinery, a manufacturer's evening expenditure at the public house where they all met, never exceeded sixpence for a glass of punch, and a penny for a screw of tobacco. It was not till 1758, and this marks an epoch, that a person actually engaged in business was seen with an equipage of his own. "The fourth period," the last 30 years of the 18th century, "is that in which expense and luxury have made great progress, and was supported by a trade extended by means of riders and factors through every part of Europe." [22] What would the good Dr. Aikin say if he could rise from his grave and see the Manchester of to-day?

Accumulate, accumulate! That is Moses and the prophets! "Industry furnishes the material which saving accumulates." [23] Therefore, save, save, *i.e.*, reconvert the greatest possible portion of surplus-value, or surplus-product into capital! Accumulation for accumulation's sake, production for production's sake: by this formula classical economy expressed the historical mission of the bourgeoisie, and did not for a single instant deceive itself over the birth-throes of wealth. [24] But what avails lamentation in the face of historical necessity? If to classical economy, the proletarian is but a machine for the production of surplus-value; on the other hand, the capitalist is in its eyes only a machine for the conversion of this surplus-value into additional capital. Political Economy takes the historical function of the capitalist in bitter earnest. In order to charm out of his bosom the awful conflict between the desire for enjoyment and the chase after riches, Malthus, about the year 1820, advocated a division of labour, which assigns to the capitalist actually engaged in production, the business of accumulating, and to the other sharers in surplus-value, to the landlords, the place-men, the beneficed clergy, &c., the business of spending. It is of the highest importance, he says, "to keep separate the

passion for expenditure and the passion for accumulation." [25] The capitalists having long been good liveries and men of the world, uttered loud cries. What, exclaimed one of their spokesmen, a disciple of Ricardo, Mr. Malthus preaches high rents, heavy taxes, &c., so that the pressure of the spur may constantly be kept on the industrious by unproductive consumers! By all means, production, production on a constantly increasing scale, runs the shibboleth; but "production will, by such a process, be far more curbed in than spurred on. Nor is it quite fair thus to maintain in idleness a number of persons, only to pinch others, who are likely, from their characters, if you can force them to work, to work with success." [26] Unfair as he finds it to spur on the industrial capitalist, by depriving his bread of its butter, yet he thinks it necessary to reduce the labourer's wages to a minimum "to keep him industrious." Nor does he for a moment conceal the fact, that the appropriation of unpaid labour is the secret of surplus-value. "Increased demand on the part of the labourers means nothing more than their willingness to take less of their own product for themselves, and leave a greater part of it to their employers; and if it be said, that this begets glut, by lessening consumption" (on the part of the labourers), "I can only reply that glut is synonymous with large profits." [27]

The learned disputation, how the booty pumped out of the labourer may be divided, with most advantage to accumulation, between the industrial capitalist and the rich idler, was hushed in face of the revolution of July. Shortly afterwards, the town proletariat at Lyons sounded the tocsin of revolution, and the country proletariat in England began to, set fire to farm-yards and corn-stacks. On this side of the Channel Owenism began to spread; on the other side, St. Simonism and Fourierism. The hour of vulgar economy had struck. Exactly a year before Nassau W. Senior discovered at Manchester, that the profit (including interest) of capital is the product of the last hour of the twelve, he had announced to the world another discovery. "I substitute," he proudly says, "for the word capital, considered as an instrument of production, the word abstinence." An unparalleled sample this, of the discoveries of vulgar economy! It substitutes for an economic category, a sycophantic phrase — *voilà tout*. "When the savage," says Senior, "makes bows, he exercises an industry, but he does not practise abstinence." [28] This explains how and why, in the earlier states of society, the implements of labour were fabricated without abstinence on the part of the capitalist. "The more society progresses, the more abstinence is demanded," [29] namely, from those who ply the industry of appropriating the fruits of others' industry. All the conditions for carrying on the labour-process are suddenly converted into so many acts of abstinence on the part of the capitalist. If the corn is not all eaten, but part of it also sown — abstinence of the capitalist. If the wine gets time to mature — abstinence of the capitalist. [30] The capitalist robs his own self, whenever he "lends (!) the instruments of production to the labourer," that is, whenever by incorporating labour-power with them, he uses them to extract surplus-value out of that labour-power, instead of

eating them up, steam-engines, cotton, railways, manure, horses, and all; or as the vulgar economist childishly puts it, instead of dissipating "their value" in luxuries and other articles of consumption. [31] How the capitalists as a class are to perform that feat, is a secret that vulgar economy has hitherto obstinately refused to divulge. Enough, that the world still jogs on, solely through the self-chastisement of this modern penitent of Vishnu, the capitalist. Not only accumulation, but the simple "conservation of a capital requires a constant effort to resist the temptation of consuming it." [32] The simple dictates of humanity therefore plainly enjoin the release of the capitalist from this martyrdom and temptation, in the same way that the Georgian slave-owner was lately delivered, by the abolition of slavery, from the painful dilemma, whether to squander the surplus-product, lashed out of his niggers, entirely in champagne, or whether to reconvert a part of it into more niggers and more land.

In economic forms of society of the most different kinds, there occurs, not only simple reproduction, but, in varying degrees, reproduction on a progressively increasing scale. By degrees more is produced and more consumed, and consequently more products have to be converted into means of production. This process, however, does not present itself as accumulation of capital, nor as the function of a capitalist, so long as the labourer's means of production, and with them, his product and means of subsistence, do not confront him in the shape of capital. [33] Richard Jones, who died a few years ago, and was the successor of Malthus in the chair of Political Economy at Haileybury College, discusses this point well in the light of two important facts. Since the great mass of the Hindu population are peasants cultivating their land themselves, their products, their instruments of labour and means of subsistence never take "the shape of a fund saved from revenue, which fund has, therefore, gone through a previous process of accumulation." [34] On the other hand, the non-agricultural labourers in those provinces where the English rule has least disturbed the old system, are directly employed by the magnates, to whom a portion of the agricultural surplus-product is rendered in the shape of tribute or rent. One portion of this product is consumed by the magnates in kind, another is converted, for their use, by the labourers, into articles of luxury and such like things, while the rest forms the wages of the labourers, who own their implements of labour. Here, production and reproduction on a progressively increasing scale, go on their way without any intervention from that queer saint, that knight of the woeful countenance, the capitalist "abstainer."

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**Section 4: Circumstances that, Independently of the Proportional Division of Surplus-Value into Capital and Revenue, Determine the Amount of Accumulation. Degree of Exploitation of Labour-Power. Productivity of Labour. Growing Difference in Amount Between Capital Employed And Capital Consumed. Magnitude of Capital Advanced (Part)**

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... We sum up once again...

It will be remembered that the rate of surplus-value depends, in the first place, on the degree of exploitation of labour-power. Political Economy values this fact so highly, that it occasionally identifies the acceleration of accumulation due to increased productiveness of labour, with its acceleration due to increased exploitation of the labourer. [35] In the chapters on the production of surplus-value it was constantly pre-supposed that wages are at least equal to the value of labour-power. Forcible reduction of wages below this value plays, however, in practice too important a part, for us not to pause upon it for a moment. It, in fact, transforms, within certain limits, the labourer's necessary consumption-fund into a fund for the accumulation of capital.

"Wages," says John Stuart Mill, "have no productive power; they are the price of a productive power. Wages do not contribute, along with labour, to the production of commodities, no more than the price of tools contributes along with the tools themselves. If labour could be had without purchase, wages might be dispensed with." [36] But if the labourers could live on air they could not be bought at any price. The zero of their cost is therefore a limit in a mathematical sense, always beyond reach, although we can always approximate more and more nearly to it. The constant tendency of capital is to force the cost of labour back towards this zero. A writer of the 18th century, often quoted already, the author of the "Essay on Trade and Commerce," only betrays the innermost secret soul of English capitalism, when he declares the historic mission of England to be the forcing down of English wages to the level of the French and the Dutch. [37] With other things he says naively: "But if our poor" (technical term for labourers) "will live luxuriously ... then labour must, of course, be dear.... When it is considered what luxuries the manufacturing populace consume, such as brandy, gin, tea, sugar, foreign fruit, strong beer, printed linens, snuff, tobacco, &C." [38] He quotes the work of a Northamptonshire manufacturer, who, with eyes squinting heavenward moans: "Labour is one-third cheaper in France than in England; for their poor work hard, and fare hard, as to their food and clothing. Their chief diet is bread, fruit, herbs, roots, and dried fish; for they very seldom eat flesh; and when wheat is dear, they



eat very little bread." [39] "To which may be added," our essayist goes on, "that their drink is either water or other small liquors, so that they spend very little money.... These things are very difficult to be brought about; but they are not impracticable, since they have been effected both in France and in Holland." [40] Twenty years later, an American humbug, the baronised Yankee, Benjamin Thompson (*alias* Count Rumford) followed the same line of philanthropy to the great satisfaction of God and man. His "Essays" are a cookery book with receipts of all kinds for replacing by some succedaneum the ordinary dear food of the labourer. The following is a particularly successful receipt of this wonderful philosopher: "5 lbs. of barleymeal, 7 1/2 d.; 5 lbs. of Indian corn, 6 1/4 d.; 3d. worth of red herring, 1d. salt, 1d. vinegar, 2d. pepper and sweet herbs, in all 20 3/4.; make a soup for 64 men, and at the medium price of barley and of Indian corn ... this soup may be provided at 1/4 d., the portion of 20 ounces. [41] With the advance of capitalistic production, the adulteration of food rendered Thompson's ideal superfluous. [42] At the end of the 18th and during the first ten years of the 19th century, the English farmers and landlords enforced the absolute minimum of wage, by paying the agricultural labourers less than the minimum in the form of wages, and the remainder in the shape of parochial relief. An example of the waggish way in which the English Dogberries acted in their "legal" fixing of a wages tariff: "The squires of Norfolk had dined, says Mr. Burke, when they fixed the rate of wages; the squires of Berks evidently thought the labourers ought not to do so, when they fixed the rate of wages at Speenhamland, 1795.... There they decide that 'income (weekly) should be 3s. for a man,' when the gallon or half-peck loaf of 8 lbs. 11 oz. is at 1s., and increase regularly till bread is 1s. 5d.; when it is above that sum decrease regularly till it be at 2s., and then his food *should be* 1/5 th less." [43] Before the Committee of Inquiry of the House of Lords, 1814, a certain A. Bennett, a large farmer, magistrate, poor-law guardian, and wage-regulator, was asked: "Has any proportion of the value of daily labour been made up to the labourers out of the poors' rate?" Answer: "Yes, it has; the weekly income of every family is made up to the gallon loaf (8 lbs. 11 oz.), and 3d. per head!... The gallon loaf per week is what we suppose sufficient for the maintenance of every person in the family for the week; and the 3d. is for clothes, and if the parish think proper to find clothes; the 3d. is deducted. This practice goes through all the western part of Wiltshire, and, I believe, throughout the country." [44] "For years," exclaims a bourgeois author of that time, "they (the farmers) have degraded a respectable class of their countrymen, by forcing them to have recourse to the workhouse ... the farmer, while increasing his own gains, has prevented any accumulation on the part of his labouring dependents." [45] The part played in our days by the direct robbery from the labourer's necessary consumption-fund in the formation of surplus-value, and, therefore, of the accumulation-fund of capital, the so-called domestic industry has served to show. (Ch. xv., sect. 8, c.) Further facts on this subject will be given later.

Although in all branches of industry that part of the constant capital consisting of instruments of labour must be sufficient for a certain number of labourers (determined by the magnitude of the undertaking), it by no means always necessarily increases in the same proportion as the quantity of labour employed. In a factory, suppose that 100 labourers working 8 hours a day yield 800 working-hours. If the capitalist wishes to raise this sum by one half, he can employ 50 more workers; but then he must also advance more capital, not merely for wages, but for instruments of labour. But he might also let the 100 labourers work 12 hours instead of 8, and then the instruments of labour already to hand would be enough. These would then simply be more rapidly consumed. Thus additional labour, begotten of the greater tension of labour-power, can augment surplus-product and surplus-value (i.e., the subject-matter of accumulation), without corresponding augmentation in the constant part of capital.

In the extractive industries, mines, &c., the raw materials form no part of the capital advanced. The subject of labour is in this case not a product of previous labour, but is furnished by Nature gratis, as in the case of metals, minerals, coal, stone, &c. In these cases the constant capital consists almost exclusively of instruments of labour, which can very well absorb an increased quantity of labour (day and night shifts of labourers, *e.g.*). All other things being equal, the mass and value of the product will rise in direct proportion to the labour expended. As on the first day of production, the original produce-formers, now turned into the creators of the material elements of capital — man and Nature — still work together. Thanks to the elasticity of labour-power, the domain of accumulation has extended without any previous enlargement of constant capital.

In agriculture the land under cultivation cannot be increased without the advance of more seed and manure. But this advance once made, the purely mechanical working of the soil itself produces a marvellous effect on the amount of the product. A greater quantity of labour, done by the same number of labourers as before, thus increases the fertility, without requiring any new advance in the instruments of labour. It is once again the direct action of man on Nature which becomes an immediate source of greater accumulation, without the intervention of any new capital.

Finally, in what is called manufacturing industry, every additional expenditure of labour pre-supposes a corresponding additional expenditure of raw materials, but not necessarily of instruments of labour. And as extractive industry and agriculture supply manufacturing industry with its raw materials and those of its instruments of labour, the additional product the former have created without additional advance of capital, tells also in favour of the latter.

General result: by incorporating with itself the two primary creators of wealth, labour-power and the land, capital acquires a power of expansion that permits it to augment the elements of its accumulation beyond the limits apparently fixed by its own magnitude, or by the value and the mass of the means of production, already produced, in which it has its being.

Another important factor in the accumulation of capital is the degree of productivity of social labour.

With the productive power of labour increases the mass of the products, in which a certain value, and, therefore, a surplus-value of a given magnitude, is embodied. The rate of surplus-value remaining the same or even falling, so long as it only falls more slowly, than the productive power of labour rises, the mass of the surplus-product increases. The division of this product into revenue and additional capital remaining the same, the consumption of the capitalist may, therefore, increase without any decrease in the fund of accumulation. The relative magnitude of the accumulation-fund may even increase at the expense of the consumption-fund, whilst the cheapening of commodities places at the disposal of the capitalist as many means of enjoyment as formerly, or even more than formerly. But hand-in-hand with the increasing productivity of labour, goes, as we have seen, the cheapening of the labourer, therefore a higher rate of surplus-value, even when the real wages are rising. The latter never rise proportionally to the productive power of labour. The same value in variable capital therefore sets in movement more labour-power, and, therefore, more labour. The same value in constant capital is embodied in more means of production, *i.e.*, in more instruments of labour, materials of labour and auxiliary materials; it therefore also supplies more elements for the production both of use-value and of value, and with these more absorbers of labour. The value of the additional capital, therefore, remaining the same or even diminishing, accelerated accumulation still takes place. Not only does the scale of reproduction materially extend, but the production of surplus-value increases more rapidly than the value of the additional capital.

The development of the productive power of labour reacts also on the original capital already engaged in the process of production. A part of the functioning constant capital consists of instruments of labour, such as machinery, &c., which are not consumed, and therefore not reproduced, or replaced by new ones of the same kind, until after long periods of time. But every year a part of these instruments of labour -perishes or reaches the limit of its productive function. It reaches, therefore, in that year, the time for its periodical reproduction, for its replacement by new ones of the same kind. If the productiveness of labour has, during the using up of these instruments of labour, increased (and it develops continually with the uninterrupted advance of science and technology), more

efficient and (considering their increased efficiency), cheaper machines, tools, apparatus, &c., replace the old. The old capital is reproduced in a more productive form, apart from the constant detail improvements in the instruments of labour already in use. The other part of the constant capital, raw material and auxiliary substances, is constantly reproduced in less than a year; those produced by agriculture, for the most part annually. Every introduction of improved methods, therefore, works almost simultaneously on the new capital and on that already in action. Every advance in Chemistry not only multiplies the number of useful materials and the useful applications of those already known, thus extending with the growth of capital its sphere of investment. It teaches at the same time how to throw the -excrements of the processes of production and consumption back again into the circle of the process of reproduction, and thus, without any previous outlay of capital, creates new matter for capital. Like the increased exploitation of natural wealth by the mere increase in the tension of labour-power, science and technology give capital a power of expansion independent of the given magnitude of the capital actually functioning...

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